



Town of Scituate

FY 18 Operating and Capital Budget Overview

*“Staying the Course with Fiscal
Discipline”*

FY 16 Recap



- FY 16 certified free cash of \$3,247,133
- General Fund receipts and New Growth up over projections: \$1,312,546 (\$1,279,831, \$32,715)
- Continued investment in capital including roads, school technology, foreshore protection, water supply, sewer improvements
- Maintained AA+ Bond Rating

FY 17 YTD + (-)



- Building activity continues to increase above projections
- Solar, wind and meals tax revenue (all new dollars since 2012) assist with operating budget needs
- Public Safety Complex and Town Library will be finished on schedule and within budget; new facility operations begin March 2017
- Major infrastructure repairs on water system, sewer systems
- Seawall repair completed on Oceanside Drive. Additional foreshore protection work in spring
- Second successful year of Police Marine Unit
- Automated payroll for all school and town employees in April
- Day shift paramedics at Fire Headquarters exceeding expectations
- Feasibility study in progress for potential Senior Center locations

Challenges



- Maintenance/repair and capital needs of physical plant
- Growing Fixed costs for Employee Benefits (health, life insurance, FICA, unemployment) continue to escalate well beyond 2.5% levy limit
- Providing for operational costs and staffing of three new buildings
- Significant staff time and funds relative to ocean and storm related issues (FEMA, CRS, DPW clean ups, conservation, Hazard Mitigation)
- Staff work load unrelenting (projects, development, compliance)
- Operational challenges with building transitions and vacancies
- Avoiding budget “creep”
- Keeping up with changes in technology to improve service delivery and transparency.
- Balancing competing demands with limited discretionary revenue

FY 18 Operating Budget Focal Points



- **LEVEL SERVICES BUDGET**
- In accordance with financial policies, FY 18 operating budget is balanced without using Free Cash
- Local receipts and new growth projected to increase \$248,000
- Local aid level-funded/State numbers rec'd in late March
- Four town union contracts expire; one tentative agreement through FY 20. Each 1% COLA is about \$117,378 in FY 18 dollars
- Fixed costs and Personal Services account for major increases*
- Maintains Town's commitment to Economic Development, road maintenance and foreshore protection

**(e.g. health insurance up over \$809,374 since FY 16)*

Budgeted Fixed Costs FY 17-18



Item	FY 17 Budget	FY 18 TA Rec.	Variance	
• Employee Pension	\$4,73,651	\$4,530,275	\$ 156,624	3.6%
• Health Insurance	\$5,656,298	\$5,860,00	\$203,702	3.6%
• FICA	\$678,200	\$695,155	\$16,955	2.5%
• OPEB	\$87,473	\$90,605	\$3,132	3.6%
• Workers' Compensation	\$ 200,000	\$210,000	\$10,000	5.0%
• Unemployment	\$66,000	\$130,000	\$64,000	97.0%
• Liability Insurance	\$538,450	\$661,373	\$122,923	22.8%
• Debt Service	\$7,715,806	\$7,580,131	(\$126,675)	-1.6%
• South Shore Voc. Tec.	\$692,771	\$776,931	\$70,630	10.0%

FY 18 Budget Highlights



- **Maintains** levels services programs and activities
- **Contemplates** new costs for new facilities
- **Increases** allocations for road improvements
- **Provides** for reasonable and equitable collective bargaining contract settlements
- **Expands** work on foreshore protection and coastal mitigation with beach nourishment and seawall grants and loans
- **Prepares** for future water shortages by increasing diversity and availability of water supply
- **Continues** \$10 trash fee reduction for one more year
- **Recognizes** and provides for staff impacts as a result of increased development by creating 1.0 new position
- **Preserves** initiatives previously supported with grant funding (e.g. Coastal Resources Officer)

FY 18 Recommended and 5-Yr. Rolling Capital Plan



General Fund - \$2,701,276 recommended

- *Road improvement funding doubled to \$400,000*
- *Continued funding for foreshore protection (2010-2016 total of \$17.6M)*
- *Commitment to ADA projects to improve citizen access*
- *Support for Schools – school technology, facility improvements*
- *Demolition of decommissioned police station*
- *Turf field carpet replacement*

Enterprise Funds - \$4,317,000 recommended

- *Water supply projects including well redevelopment, new well sites and reservoir support*
- *Sewer infrastructure support including major I & I project at Cedar Point, next phase of required copper reduction and phased upgrades.*



Enterprise Funds cont.

- *Waterways project to address marina electrical systems and install de-icers.*
- *Transfer Station project to replace methane gas piping*
- *Funding for design of irrigation system at Widows Walk and recommendation for set-aside for future work*

- **Capital Stabilization Fund** – *\$2,701,276 recommended*
- *Allocations for fuel tank replacement, front-end loader, Cudworth Cemetery expansion and renovation of Humarock fire station*

2017 Special & Annual Town Meeting Articles

(as of January 2, 2017)



- 18 tentative warrant articles (down five from 2016)
including all operating, enterprise and capital budgets, no petition articles

Continuing Obligations for FY 19 and Beyond



- Fixed costs such as pension and insurances will continue to increase
- FEMA reimbursements for storm damage repairs require 25% cash match
- OBEB allocations need to be increased
- Operation and maintenance costs for new facilities and existing facilities, infrastructure
- Continued implementation of Public Facilities Master Plan
- School, fleet and scheduled maintenance capital needs
- Adequate supply of water and expansion of sewer capacity and connections for residents
- Continuation of programs currently supported by grant funds (FACTS, Coastal Resources Officer—100% General Fund)



QUESTIONS?

